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that you suggest? I'm fearful of the answer being that we would have to raise the sales tax rate by 1%. Is that really what you're after? I can't see any other way of meeting the states obligations without leaving the rate at 13%.

SENATOR WARNER: Senator Goodrich, that is not what I'm saying at all. I don't know how many times some of the members have stated we're talking about the obligations through December 31, 1975. You're talking about the rates for 1976, next years appropriation. It's a separate question. If you'll look ... you probably have thrown it away. The basis on which this years should have been spent would have provided for a total appropriation, express obligation, of 5% reserve of \$345,886,990. That is the figure that should have been used by the Board of Equalization last November. Instead they used the figure of \$313,920,981. It's necessary to increase the rate from 10 to 12 to make up the appropriations which are express obligations that were ignored. That's all we're talking about. We're not talking about next year. We never have. As Senator Dickinson pointed out very capably, the system has worked the same for 108 years. You do not set rates a year early. That's what you're talking about doing. We're talking about 1975, 1975 only. Your own budget staff can show you the same figures. They're all based upon Department of Revenue estimates. Twelve is more than adequate for the current. That's what we're raising taxes for.

PRESIDENT: Senator Frank Lewis.

CLERK: Motion on the desk, Mr. President. I move to amendment the Warner amendment. Strike "12" and insert "10".

SENATOR F. LEWIS: Now Mr. Chairman, if all we're dealing with is this years appropriation where there's a cash shortage, next years appropriations aren't included. Is that what you said, Senator Warner?

SENATOR WARNER: That's correct Senator Lewis, but 10 is not adequate for this year. That's what the whole amendment is all about.

SENATOR F. LEWIS: The Department of Revenue told me now that as of July 1 we will have a cash balance of \$20 to \$25 million. If we're just concerned about this years appropriations there's nothing to do with it, except to leave it where it is. Do you deny me Mr. Peters figures, or is he off?

SENATOR WARNER: Yeah Mr. Peters is off. Mr. Peters, why don't we have him come out on the floor. I'll question him before the whole body. We'll find out what the facts are.

SENATOR F. LEWIS: Well my point is ...